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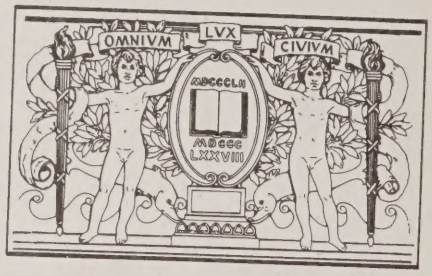

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The
Commercial Area
Revitalization
District
Program

CARD

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City of Boston, Kevin H. White, Mayor / Boston Redevelopment Authority, Robert J. Ryan, Director

CARD

THE COMMERCIAL AREA REVITALIZATION DISTRICT PROGRAM

CITY OF BOSTON
Kevin H. White, Mayor

BOSTON REDEVELOPMENT AUTHORITY
Robert L. Farrell, Chairman
Joseph J. Walsh, Vice-Chairman
James K. Flaherty, Treasurer
Clarence Jones, Member
William A. McDermott, Member
Kane Simonian, Secretary
Robert J. Ryan, Director

September 1981
April 1982 Revised
August 1982 Revised
April 1983 Revised

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I CARD PROGRAM

- The Boston Redevelopment Authority (BRA) administers the state-enacted CARD program in the City of Boston through the preparation of CARD plans (described in Section II) and the initial review and approval of CARD projects located within CARD plan boundaries (described in Section III). In certain circumstances the city's Neighborhood Development and Employment Agency (NDEA) is responsible for CARD plan preparation and CARD project review in the neighborhoods.
- In summary, the CARD program is a mechanism by which the following economic development incentives, before available only to industrial enterprises, can now be applied to commercial and mixed-use projects located within CARD plan boundaries:
  1) financing at interest rates several points below conventional rates through tax-exempt (to the lending institution) Industrial Revenue Bonds negotiated between the applicant and a private lender and approved by the City and State agencies involved (described in Section III);
  2) mortgage insurance, limited to approximately $400,000 per project,on rehabilitation of commercial buildings (contact the Massachusetts Industrial Financial Agency, 451-2477).
  3) a credit against a corporation's state excise tax liability and a 25 percent payroll deduction through the Urban Job Incentive Program (contact the Urban Job Incentive Bureau, Massachusetts Department of Manpower Development, 727-5066).

II CARD PLANS

- For the downtown area, the BRA determines Commercial Area Revitalization District boundaries and prepares the CARD plans. The Neighborhood Development and Employment Agency (NDEA) is responsible for the preparation of plans in certain neighborhoods.
- In addition to designated areas within the downtown core, CARD plans are now in place in several neighborhood business districts. A list and maps of approved CARD plans can be found in Section IV.
- The overriding standard in determining an area's need for a CARD plan is that the district has experienced commercial disinvestment. State regulations specify that 50 percent of the area within the CARD boundaries must be "older commercial".
- The preparation of a CARD plan is an involved process and the BRA commits substantial staff time to the endeavor. The CARD plan includes not only a description and map of boundaries but also chapters on the rationale for designation, the plan's objectives, land use and zoning within the area, and the plan's strategy (potential public improvements, general character of development, use of development incentives, and local financial commitment).
- The Director of the BRA must submit the plan for review and approval to the BRA Board of Directors, the City Council (including a public hearing held by the Committee on Planning and Development), the Mayor, and the Massachusetts Secretary of Communities and Development. The BRA will not review a project for CARD financing until the plan has been approved by the State.

- The length of time involved in determining the CARD boundaries, preparing the plan, and obtaining approval by the Secretary of Communities and Development is, at a minimum, four months.
- To amend a CARD plan's boundaries, the BRA must submit a letter of intent which describes the changes, the anticipated development, potential public improvements, and local financial commitment to the Executive Office of Communities and Development (EOCD). The Secretary of Communities and Development is empowered to approve the boundary change unless he determines that the above-mentioned plan approval process is necessary due to the significance of the amendment.
- The Massachusetts Industrial Financing Agency (MIFA) determines if a public hearing is required to amend a CARD plan to include a mixed-use component before a CARD project which includes housing will be considered. If it is necessary, the BRA must submit to EOCD a detailed description of the community's need for housing, nature and type of housing planned to meet those needs, and the potential reuse of existing buildings. The approval process is similar to a plan's: City Council (public hearing), Mayor and Secretary of Communities and Development.
- For more information on establishing and amending a CARD plan, read EOCD's CARD Plan Regulations 751 CMR: 8:00.

III CARD PROJECTS

- Through tax exempt Industrial Revenue Bonds (IRB's), financing is allowed at interest rates several points below conventional rates for commercial and mixed-use projects located within a CARD plan's boundaries. The interest income to the lender is exempt from federal income taxes, and therefore, the lender can offer terms more favorable than those available on conventional loans. The CARD project applicant is responsible for arranging his/her own financing with a private lending institution. The role of the City and State agencies involved is to determine and then certify that the project meets the guidelines of the CARD plan.
- After the BRA determines that a project is located within a CARD plan's boundaries, the applicant (through a bond counsel), should determine if the project meets the Internal Revenue Service (IRS) limits on the size of projects in order to be eligible for tax exempt financing:
  1) When the bond issue is over $1,000,000, total expenditures which could be capitalized (including the bond issue proceeds) by the Borrower within the same municipality (City of Boston) cannot exceed $10,000,000 over a six-year period (three years before and three years after the bond issuance date);
  2) When the bond issue is $1,000,000 or less, the above total capital expenditures restriction does not apply;
  3) When the issue is for a project that involves an Urban Development Action Grant from the U. S. Department of Housing and Urban Development, the maximum capital expenditures limit will be raised to $20,000,000, but only $10,000,000 of the bond issue will be tax-exempt;

4) When the bond issue is for pollution control, public garages, solid or liquid waste disposal, or certain other exempt facilities, there is no limit on the size of the bond issue or capital expenditures.

- The IRS also specifies that expenses may be disqualified from reimbursement out of bond proceeds if incurred prior to initial project approval (the IDFA, for commercial projects and MIFA, for mixed-use projects). Therefore, a refinancing of previous expenditures would not qualify as an eligible cost.
- In addition, to comply with IRS regulations, IRB's will not be approved for the financing of working capital or non-depreciable assets such as inventory or accounts receivables.
- Congress recently passed new IRB financing provisions. For bonds issued after December 31, 1982, no more than 25% of the proceeds can go towards financing entertainment (including theatres), recreational, automobile sales and services, or retail food (restaurant) facilities. In addition, the following uses are inelligible for IRB financing: any private or commercial golf course, country club, massage parlor, tennis club, skating facility (including roller skating, skateboard and ice skating), racquet sports facility (including handball and racquetball courts), hot tub facility, suntan facility, or racetrack.
- Applicants should contact a tax counsel on the new Congressional provisions relating to depreciation and IRB financing. Facilities financed with IRBs must depreciate their plant and equipment on a straight-line basis, as opposed to the accelerated schedules passes as part of the Economic Recovery Tax Act of 1981.

However, the recovery periods for IRB projects are identical to those under ACRS. Exceptions from this provision (and therefore eligible for the combined benefits of both IRBs and ACRS accelerated depreciation) are residential housing projects, sewage and solid waste disposal facilities, projects receiving Urban Development Action Grants (UDAGs), and air and water pollution control facilities associated with an existing plant or used in an oil-to-coal or natural gas-to-coal conversion project. This will apply for all projects where the bond is issued after June 30, 1982 unless the facility is "placed in service" by December 31, 1982.

- For mixed-use projects, there are additional IRS regulations:
  1) 20 percent (15 percent in targeted areas) of the rental units must be for low or moderate income households (condominiums are never allowed). The low and moderate income requirement applies from the date the project is first occupied and continues until the later of:
     - 10 years after over one-half of the project is first occupied
     - a date when 50 percent of the bonds having the longest maturity has expired, or
     - the date on which any Section 8 (or comparable) assistance terminates
  2) No more than 10 percent of the bond proceeds can go towards the commercial portion of the project.
- For mixed-use projects, the State regulations specify that each building must contain a commercial component and that only renovation of an existing building is permitted (new construction is not permitted).

- For Health Care Facilities, Chapter 778 of the Acts of 1981 added to the definition of eligible "industrial enterprises" nursing or convalescent homes licensed under the provisions of s.71 of C.111 of the Massachusetts General Laws. Therefore, licensed nursing homes no longer need to be located in a CARD to be eligible for IRB financing. Prior to "Official Action" the Department of Public Health's Determination of Need process must be completed.
- The review and approval procedures for CARD commercial and mixed-use projects differ substantially. However, in all cases, the BRA Director's approval is the first step in the three to six month process. The BRA will only review a project for CARD financing if the property is located within a CARD plan's boundaries (See Section II).
- The BRA's evaluation is based on the importance of Industrial Revenue Bond financing to the CARD project and the meeting of the CARD plan's objectives. In general, the BRA's criteria are as follows:
  1) Conformance to an approved CARD plan's objectives.
  2) At least 50% of the total project cost is for renovation or new construction.
  3) Minimum equity participation of 10 to 20 percent.
  4) Project is financially feasible.
  5) No more than a reasonable return on investment (15 to 20 percent) before tax benefits.
- The following additional guidelines for the CARD program were established by the MIFA Board of Directors at their March 11, 1982 board meeting. Exceptional situations not fitting within these guidelines, but strongly supported by local government will

be specially considered by the MIFA directors and will require evidence of an overriding local public purpose to be approved. The BRA endorses these guidelines and they are now included as criteria in staff review of projects.

1) Equipment: Substantially all the proceeds of the bond must be used for the acquisition, construction and rehabilitation of a CARD project, and therefore not more than 10% of the bond should be used to finance professional office equipment and furnishings.

2) Entertainment/Recreational Facilities: Subject to the new Congressional provisions, staff will look especially closely at entertainment and recreational facilities.

o Within the BRA, CARD projects are reviewed by the Deputy Director for Development and his staff. Questions concerning CARD plans or projects should be directed to the Deputy Director for Development at 722-4300.

o Once an applicant has determined that a project is within CARD boundaries and is interested in obtaining IRB financing, he/she is required to write a letter of intent to apply for CARD approval, giving a general description of the project including location, to the Director of the BRA:

Mr. Robert J. Ryan, Director
Boston Redevelopment Authority
1 City Hall Square
Boston, Massachusetts 02201

- The BRA Director will then request, in writing, a non-refundable CARD project review fee and direct the applicant to work with the Deputy Director for Development and his staff to bring the application to a presentation-for-approval stage before him (please see page 12 for an example).
- At this time, the applicant should:
  1) Contact the appropriate agency (the Boston Industrial Development Financing Agency, IDFA, at 725-3342 for commercial projects and the Massachusetts Industrial Financing Agency, MIFA, at 451-2477 for mixed-use projects) to obtain a Project Review Statement (PRS).
  2) Arrange a bank commitment of interest for IRB financing and hire a bond counsel.
  3) Complete the PRS form and design submission. Effective April 1, 1983, the BRA must receive the PRS and design submission at least four weeks before the next regularly scheduled Boston IDFA meeting.
  4) Meet with the BRA Deputy Director for Development and his staff.
- After BRA staff has determined that the project meets BRA criteria, IRS regulations and State regulations, they will recommend that the project be approved by the Director of the BRA.
- For commercial projects, the process after the conveyance of the BRA Director's approval letter to the IDFA Board is as follows (Note: There is a 14 day public hearing notice requirement which must be satisfied either by the IDFA, MIFA-if applicable, or by the City Council):

1) IDFA Board of Directors (initial project approval)

2) IDFA submits the project to the City Council and a public hearing is held by the Committee on Planning and Development

3) City Council

4) Mayor

5) IDFA Board of Directors (bond closing)

6) MIFA (certification)

- For commercial projects, a CARD project is only waived to MIFA by IDFA at a regularly scheduled IDFA meeting if there is a conflict of interest between the applicant and an IDFA board member. For information on MIFA'S review and approval process, contact MIFA at 451-2477.

- For mixed-use projects, the process after the conveyance of the BRA Director's approval letter to MIFA is as follows:

1) MIFA determines that the CARD plan includes a mixed-use component. (If not, an amendment must be prepared by the BRA as described in Section II).

2) MIFA submits the project to the City Council which must find that the project is located in a "substandard, decadent, or blighted open area" as defined in MGL c.121A after a public hearing is held by the Council's Committee on Planning and Development.

3) Mayor

4) MIFA Board of Directors (initial project approval).

5) MIFA Board of Directors (bond closing and certification).

- The source for the IRB technical information in this booklet is the IDFA brochure entitled The Boston Industrial Revenue Bond Program. For more information on the regulations governing Industrial Revenue Bonds and the IDFA review process and fees contact IDFA at 725-3342.
- For more information on mixed-use projects and the MIFA review process and fees, contact MIFA at 451-2477.

Boston Redevelopment Authority

Robert J. Ryan, Director

CARD Developer
One Main Street
Boston, MA

Dear CARD Developer:

Thank you for your letter informing the Boston Redevelopment Authority of your intent to obtain CARD financing for your project located at _____. Consistent with the financial programming goals in the City at present and as authorized by the Boston Redevelopment Authority Board, effective March 16, 1981, a non-refundable CARD project review fee of $1,000.00 is required at the time of the application submission. The Boston Redevelopment Authority commits substantial staff time to the review and processing of a CARD application. The check should be made payable to the Boston Redevelopment Authority.

Effective April 1, 1983, the Authority must receive the Project Review Statement and design submission at least four weeks before the next regularly scheduled Boston IDFA meeting.

Chris Carlaw, Deputy Director for Development, and his staff will work with you to bring your application to a presentation-for-approval stage before me.

Sincerely,

Robert J. Ryan
Director

1 City Hall Square
Boston, Massachusetts 02201
(617) 722-4300

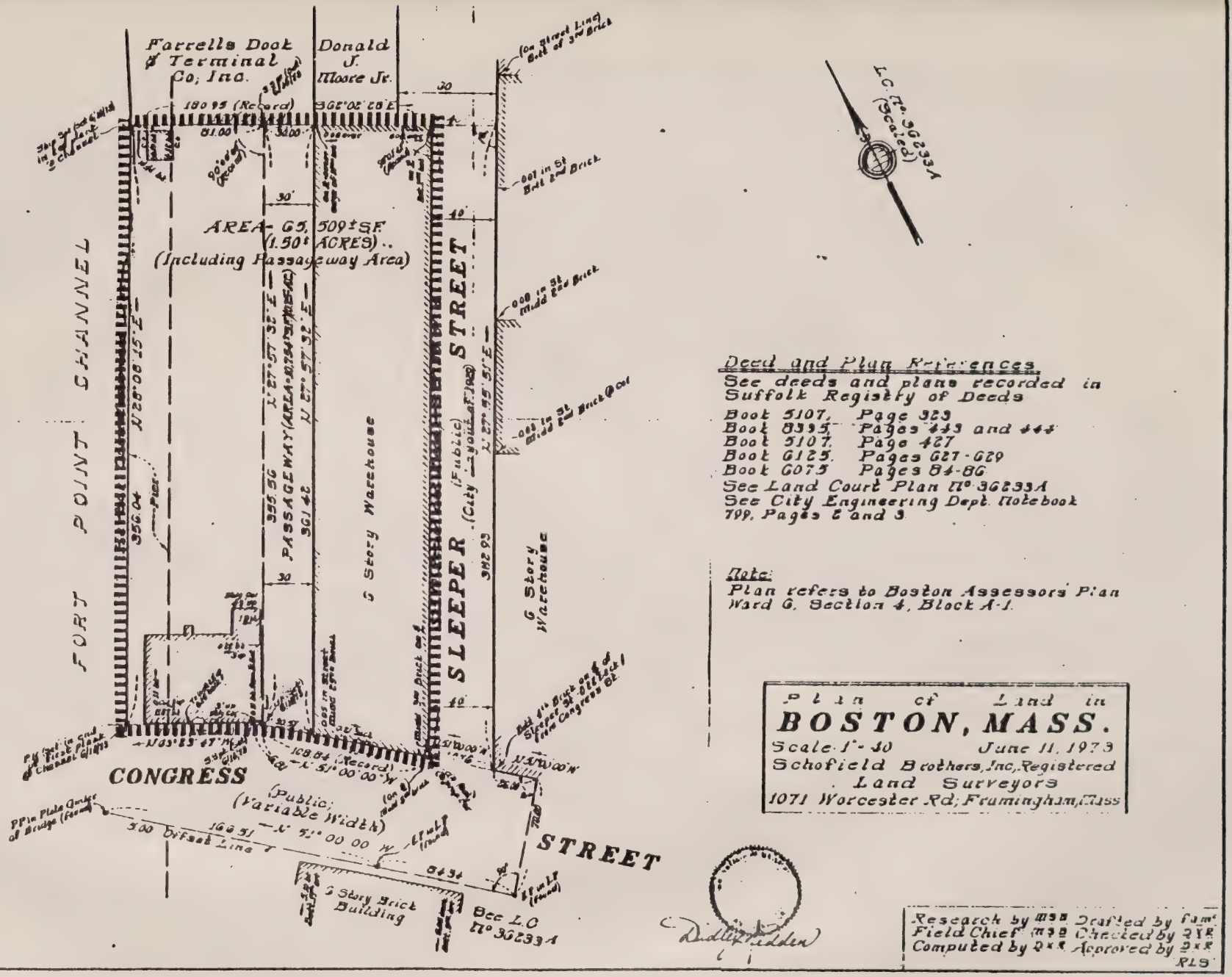
V APPROVED CARD PLANS

In Place	Date	Agency
West Broadway	March 1979	NDEA
Museum Wharf	April 1979	BRA
Fields Corner	June 1979	NDEA
Dudley Station/Roxbury	June 1979	NDEA
Grove Hall/Roxbury	June 1979	NDEA
Cleary Square/Hyde Park	June 1979	NDEA
Bayside Mall/Dorchester	June 1979	BRA
Roslindale Square	June 1979	NDEA
Lower Mills	Feb. 1980	NDEA
Huntington Place	Feb. 1980	BRA
Financial District	Feb. 1980	BRA
	July 1980 (amended)	
Uphams Corner	May 1980	NDEA
Theatre District Phase I	Oct. 1980	BRA
Theatre District/Chinatown Phase II	Nov. 1980	BRA
	June 1981 (amended)	
	April 1982 (amended)	
North Station	Nov. 1980	BRA
South Station	March 1981	BRA
Harvard Avenue/Allston Brighton	June 1981	NDEA
Charlestown Navy Yard	Feb. 1982	BRA
John Eliot Square/Roxbury	Feb. 1982	NDEA
Central-Maverick Square/E. Boston	Feb. 1982	NDEA
Kenmore Square	March 1982	BRA/NDEA

WEST BROADWAY CARD

BOUNDARIES

BOSTON REDEVELOPMENT AUTHORITY


Farrells Dock & Terminal Co, Inc.
Donald J. Moore Jr.
AREA- 65,509± SF (1.50± ACRES)..
(Including Passageway Area)
PASSAGEWAY (AREA-0.114± ACRES)
FORT POINT CHANNEL
SLEEPER STREET (Public) (City Layout of 1868)
CONGRESS STREET (Public) (Variable Width)
5 Story Warehouse
6 Story Warehouse
5 Story Brick Building
Pier
Bee L.C. No. 362334
L.C. No. 362334 (Scale)
Deed and Plan References
See deeds and plans recorded in Suffolk Registry of Deeds
Book 5107, Page 323
Book 8335, Pages 443 and 444
Book 5107, Page 427
Book 6125, Pages 627-629
Book 6073 Pages 84-86
See Land Court Plan No. 362334A
See City Engineering Dept. Notebook 799, Pages 2 and 3
Note:
Plan refers to Boston Assessors' Plan Ward 6, Section 4, Block A-1.
Plan of Land in
BOSTON, MASS.
Scale 1"=40 June 11, 1973
Schofield Brothers, Inc, Registered Land Surveyors
1071 Worcester Rd; Framingham, Mass
Research by MSB Drafted by FJM
Field Chief MSB Checked by DJR
Computed by DJR Approved by DJR
RLS

10578

MUSEUM WHARF C.A.R.D. BOUNDARY MAP

C.A.R.D. BOUNDARY

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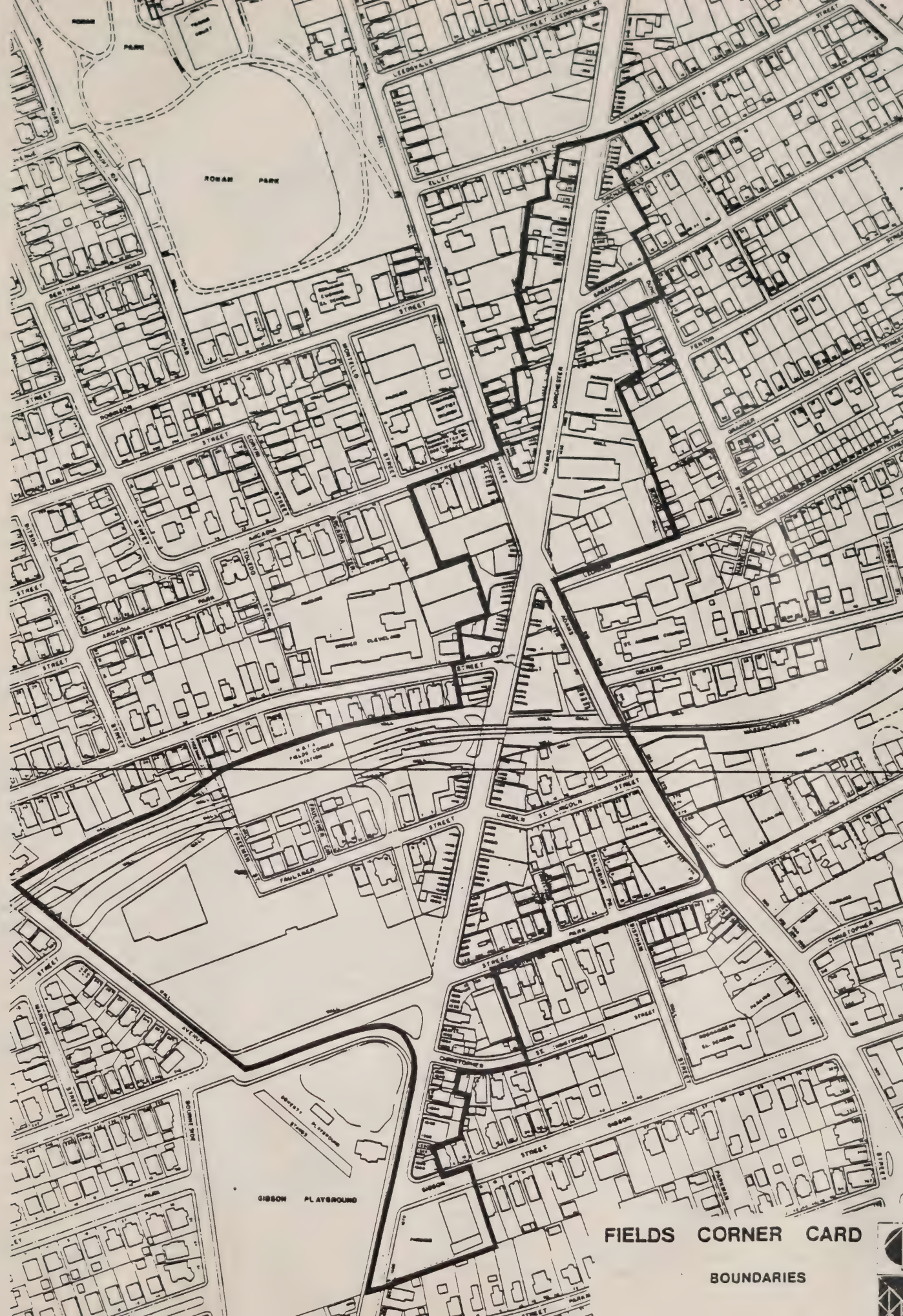

ROMAN PARK
GIBSON PLAYGROUND
FIELDS CORNER CARD
BOUNDARIES

DUDLEY STATION CARD
BOUNDARIES
BOSTON REDEVELOPMENT AUTHORITY

ELM HILL PARK
INTERVALE STREET
BRUNSWICK STREET
DEVON STREET
SUNDERLAND STREET
WARREN AVENUE
STANWOOD STREET
GENEVA AVENUE
WASHINGTON STREET
BLUE HILL AVENUE
CASTLEGATE ROAD
PASADENA ROAD
NORMANDY ROAD
WILDER STREET
CAMBRIDGE STREET
LAWRENCE STREET
CROSTON STREET
THEATRE
JEREMIAH E. BURKE HIGH SCHOOL FOR GIRLS
BOSTON ASSEMBLY OF GOD CHURCH
GROVE HALL CARD
BOUNDARIES
BOSTON REDEVELOPMENT AUTHORITY

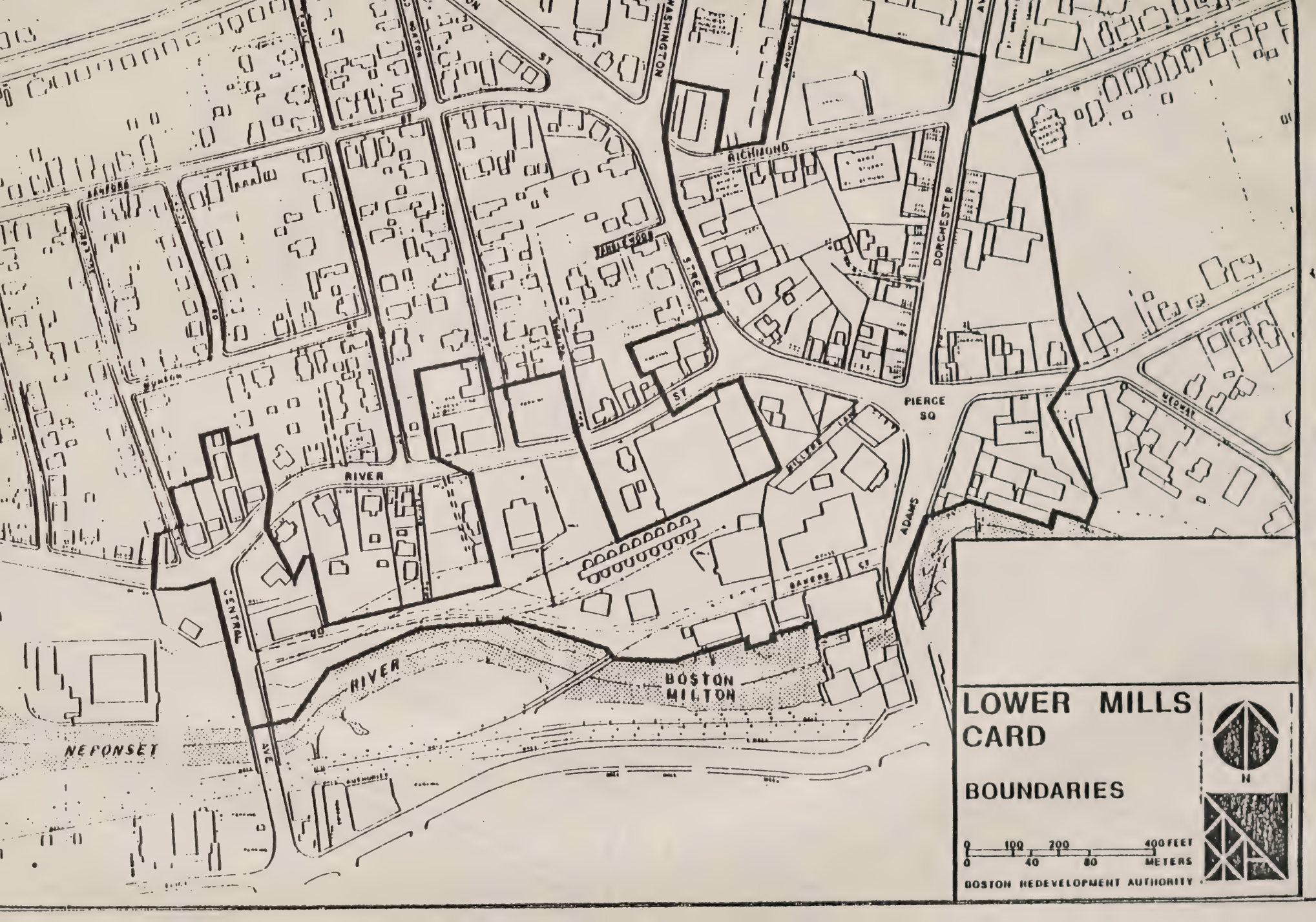
CLEARY SQUARE CARD
BOUNDARIES
BOSTON REDEVELOPMENT AUTHORITY

BAYSIDE MALL CARD

BOUNDARIES

BOSTON REDEVELOPMENT AUTHORITY

ROSLINDALE SQUARE
CARD
BOUNDARIES
BOSTON REDEVELOPMENT AUTHORITY


RICHMOND
DORCHESTER
STREET
PIERCE
SQ
ADAMS
RIVER
CENTRAL
AVE
NEPONSET
RIVER
BOSTON
MILTON
LOWER MILLS
CARD
BOUNDARIES
N
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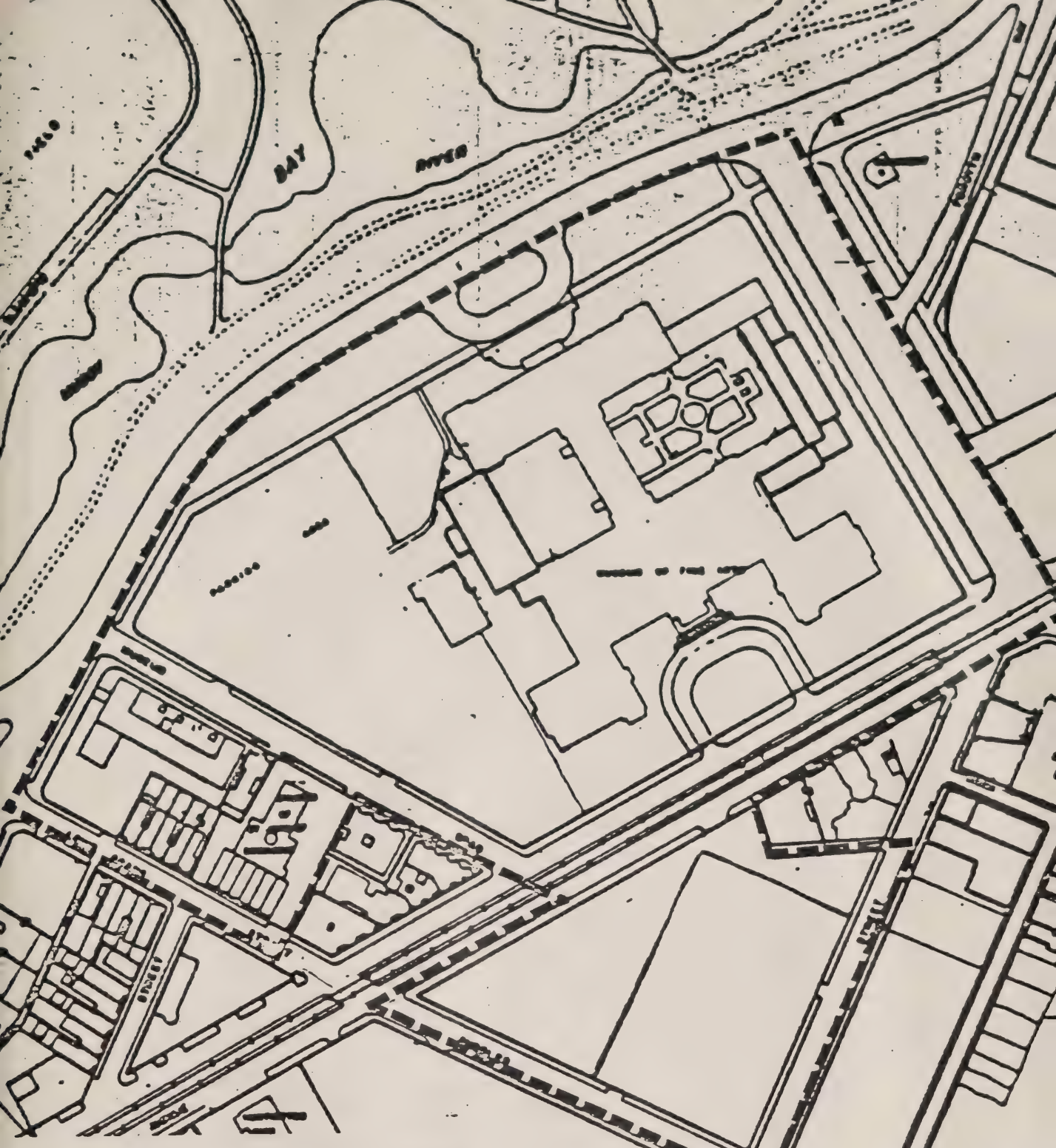
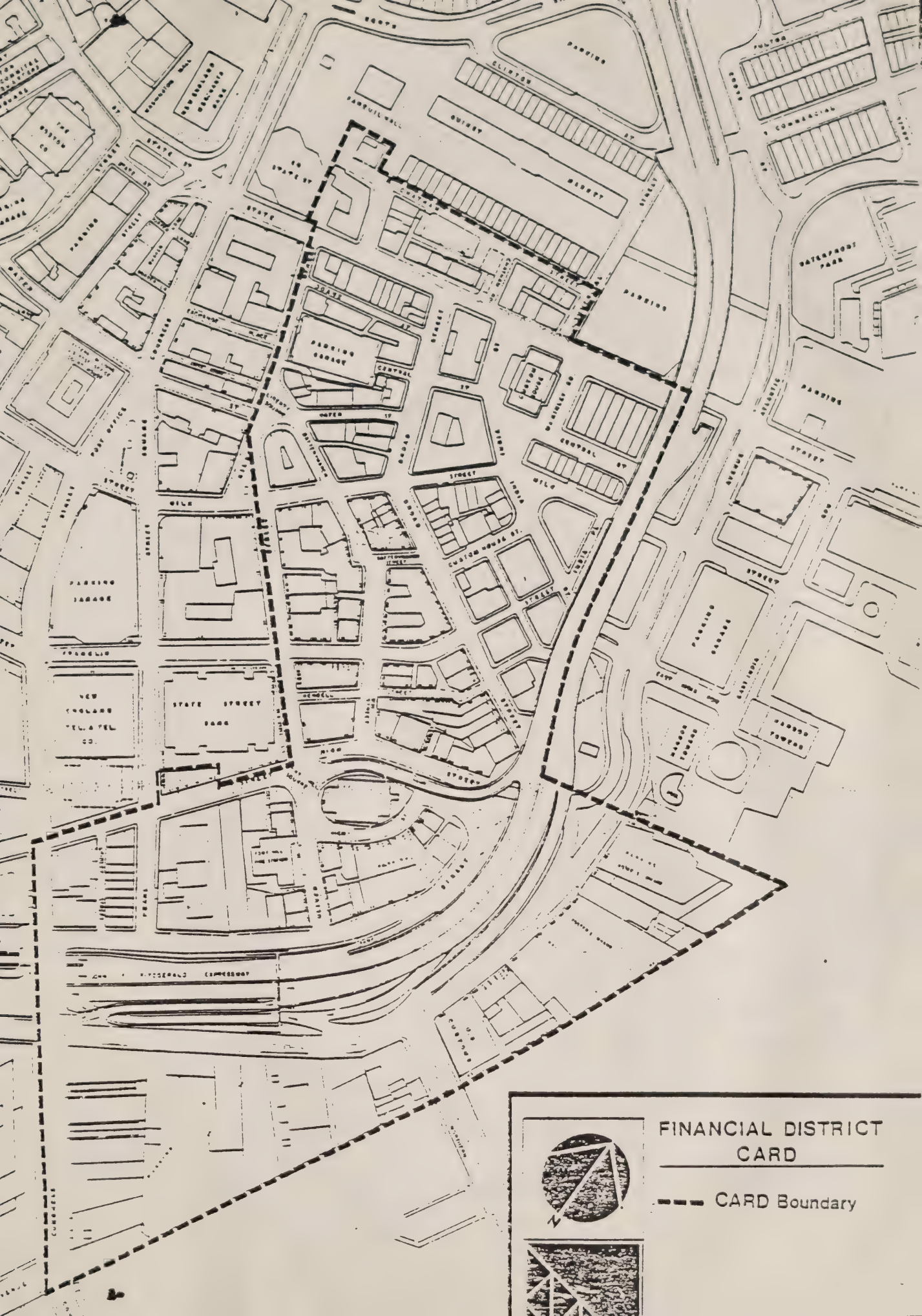
BOSTON REDEVELOPMENT AUTHORITY



IFA Huntington Place CARD

CARD Boundaries


FINANCIAL DISTRICT
CARD
CARD Boundary

UPHAMS CORNER CARD
CARD BOUNDARIES
UPHAM'S CORNER
NORTH DORCHESTER CEMETERY
PILGRIM CONGL CHURCH
ST. KEVIN R.C. CHURCH
MUNICIPAL BLDG.
ST. KEVIN CONVENT
HUMPHREYS STREET
QUINCEFIELD STREET
WOODMER STREET
HOLDEN STREET
HAMLET STREET
BELOIN SQ
RAMSEY STREET
COLUMBIA ROAD
STOUGHTON STREET
CUSHING AVENUE
WILBUR AVENUE
UPHAM AVENUE
VIRGINIA STREET
ADAM STREET
ANN STREET
HAVEN STREET
EVERETT STREET

WARRENTON
SEAVER PL
SHUBERT
THEATRE
TREMONT
BOSTON
MUSIC
HALL
HOLLIS ST
WASHINGTON
ARRENTON PL
SOUTH COVE PARK
ST.
COMMON
ST.
THEATRE DISTRICT I
BOUNDARIES

THEATRE DISTRICT
CHINATOWN CARD

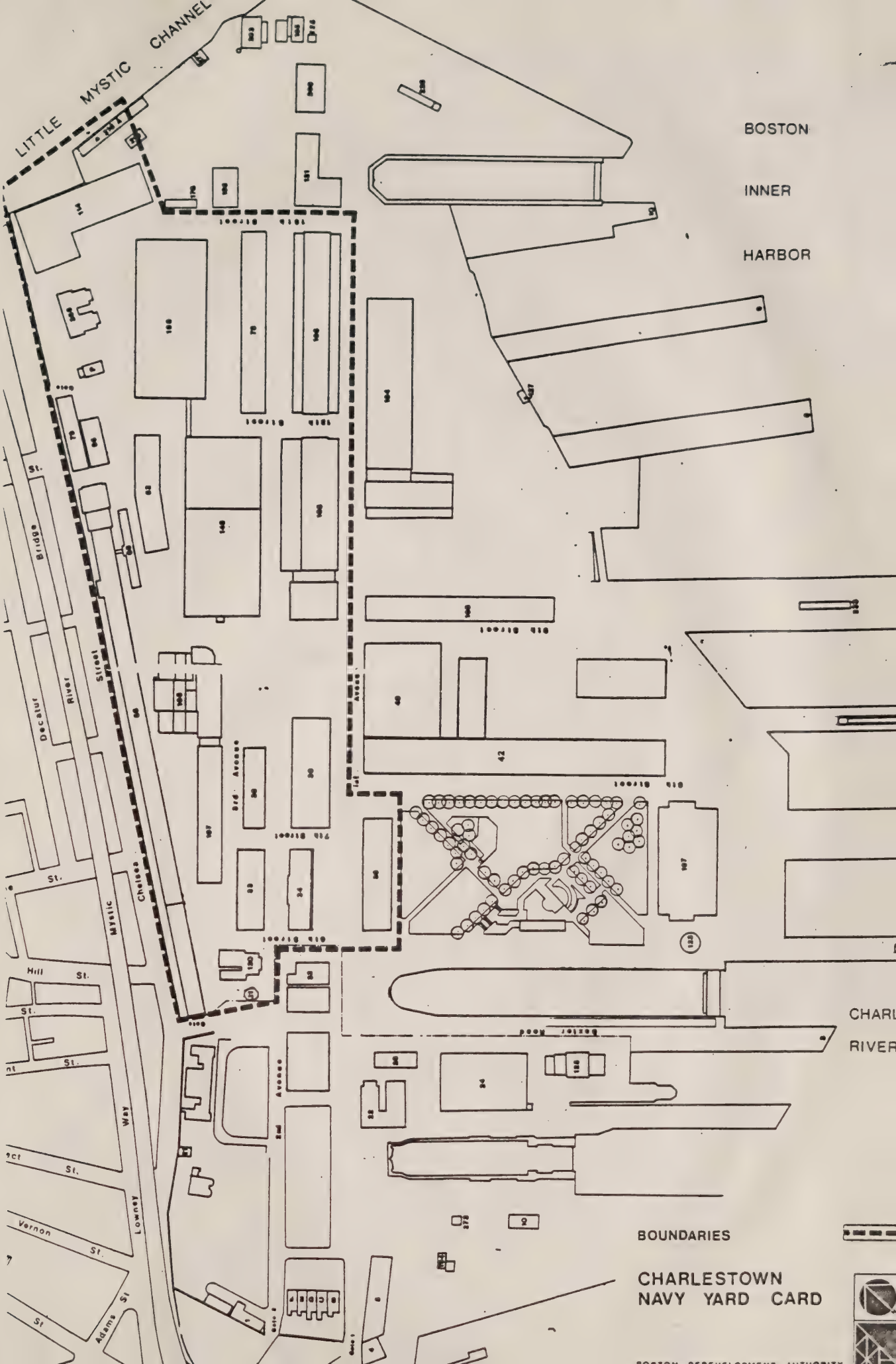
RIVER
PARKING
NORTH STATION
BOSTON GARDEN
CAUSEWAY STREET
TRAVERSE ST
HARRIET ST
GOVERNMENT CENTER
PARKING GARAGE
POLICE STA.
NEW SUDBURY STREET
0 50 100 150 200
NORTH STATION CARD
CARD BOUNDARIES
N

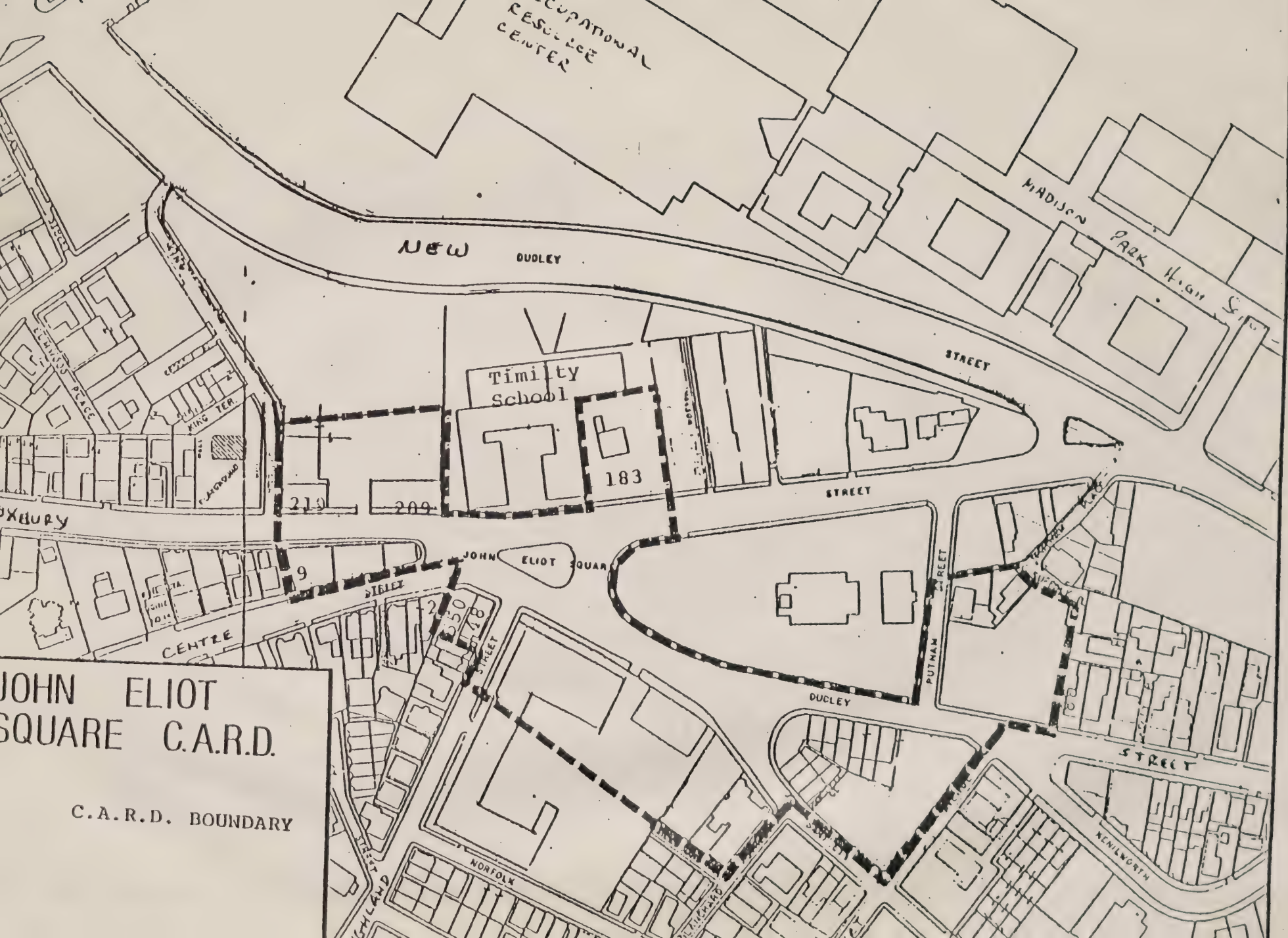
SOUTH STATION CARD
BOUNDARIES

HARVARD AVENUE AREA CARD

BOUNDARIES

BOSTON REDEVELOPMENT AUTHORITY

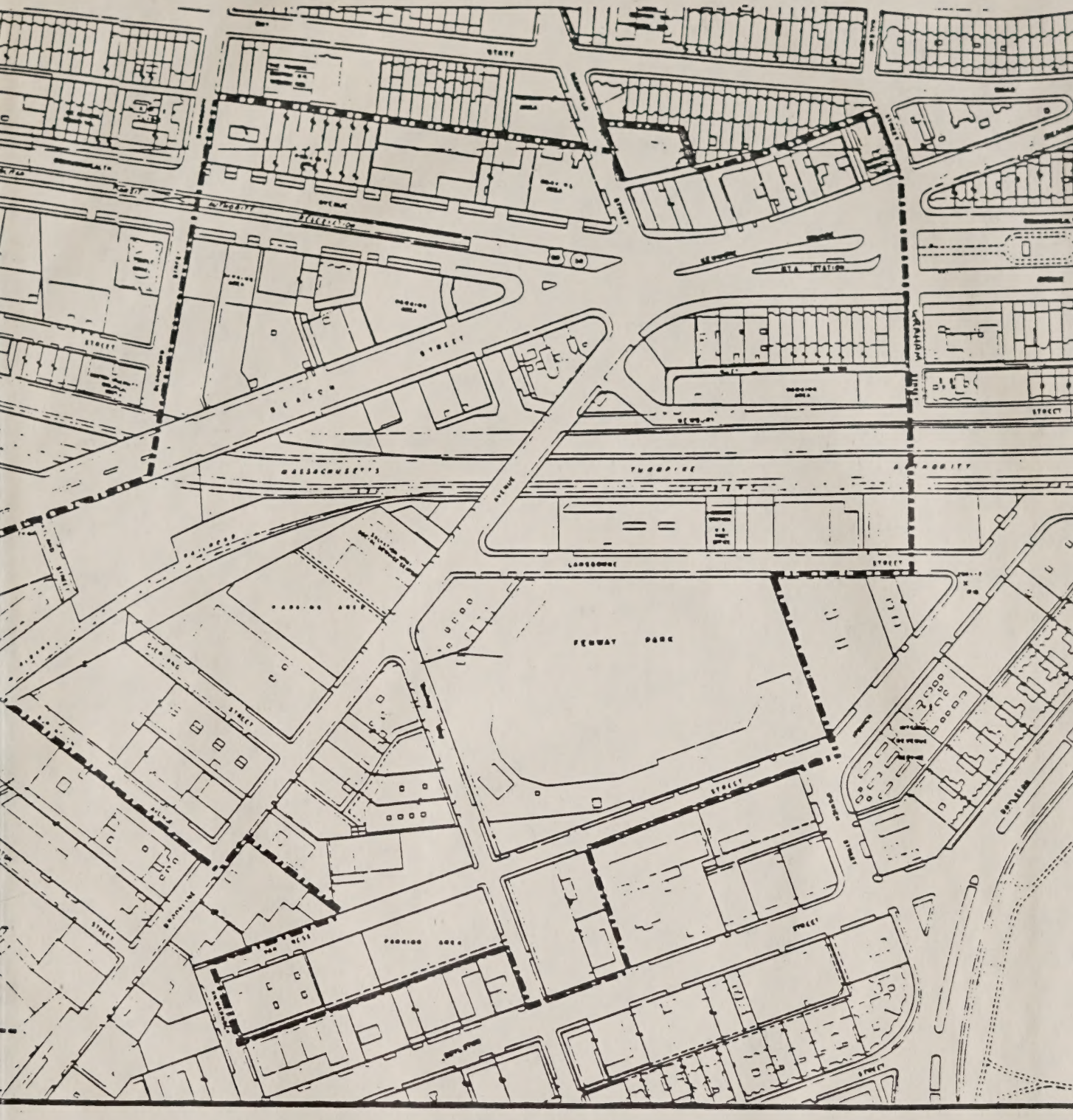

LITTLE MYSTIC CHANNEL
BOSTON
INNER
HARBOR
Decatur Street
River
Mystic
Chelsea
Bridge
Hill St.
Way
Lowney
Vernon St.
Adams St
Avenue
BOUNDARIES
CHARLESTOWN
NAVY YARD CARD


OCCUPATIONAL
RESOURCE
CENTER
MADISON PARK HIGH SCHOOL
NEW DUDLEY
STREET
Timilty School
183
209
210
JOHN ELIOT SQUARE
DUDLEY
PUTNAM STREET
CENTRE
STREET
NORFOLK
KENILWORTH
JOHN ELIOT
SQUARE C.A.R.D.
C.A.R.D. BOUNDARY

CENTRAL - MAVERICK

SQUARE C.A.R.D.

C.A.R.D. BOUNDARY



KENMORE SQUARE C.A.R.D.

CARD BOUNDARY

City of Boston
Neighborhood
Development Agency